

PROCEEDINGS OF THE BROWN COUNTY
EXECUTIVE COMMITTEE

Pursuant to Section 18.94 Wis. Stats., a regular meeting of the **Brown County Executive Committee** was held on Monday, February 8, 2016 in Room 200 of the Northern Building, 305 E. Walnut Street, Green Bay, Wisconsin.

Present: Chair Lund, Supervisor Erickson, Supervisor Evans, Supervisor Van Dyck, Supervisor Buckley, Supervisor Fewell
Excused: Supervisor Moynihan
Also Present: Maria Lasecki, Juliana Ruenzel, Chad Weininger, Dave Ehlinger, Christina Connell, Brittany Zaehring, John Vander Leest, Erik Pritzl, Supervisor Kaster, Paul Zeller, Dan Process, Paul Fontecchio, other interested parties

I. Call meeting to order.

The meeting was called to order by Chair Lund at 5:30 pm.

II. Approve/modify agenda.

Supervisor Erickson indicated he would like to modify the agenda by moving Items 13 and 18 to follow Item 8.

Motion made by Supervisor Erickson, seconded by Supervisor Evans to approve as amended. Vote taken. MOTION CARRIED UNANIMOUSLY

III. Approve/modify Minutes of January 11, 2016.

Motion made by Supervisor Buckley, seconded by Supervisor Evans to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

Comments from the Public. None.

Vacant Budgeted Positions (Request to Fill)

1. Child Support – Child Support Clerk - Vacated – 3/14/16.
2. Clerk of Courts – Court Coordinator (x2) - Vacated – 3/18/16 and 2/15/16.
3. Human Services – Economic Support Specialist (x2) - Vacated – 1/22/16 and 1/29/16.
4. Human Services – SW/CM (APS) - Vacated – 2/22/16.
5. Human Services – SW/CM (Child Protection) - Vacated – 1/22/16.
6. Human Services (CTC) – Account Clerk I (.8 FTE) - Vacated – 1/4/16.
7. Human Services (Shelter Care) – Youth Support Specialist - Vacated – 1/22/16.
8. Public Works (Highway) – Highway Crew - Vacated – 1/22/16.

Motion made by Supervisor Evans, seconded by Supervisor Erickson to suspend the rules and take Items 1 – 8 together. Vote taken.

Ayes: Lund, Erickson, Evans, Van Dyck

Nay: Buckley

MOTION CARRIED 4 TO 1

Motion made by Supervisor Evans, seconded by Supervisor Erickson to approve Items 1 – 8. Vote taken.

Ayes: Lund, Erickson, Evans, Van Dyck

Nay: Buckley

MOTION CARRIED 4 TO 1

At this time Item 13 was taken followed by Item 18.

Legal Bills

9. Review and Possible Action on Legal Bills to be paid.

Motion made by Supervisor Evans, seconded by Supervisor Erickson to approve the legal bills. Vote taken. MOTION CARRIED UNANIMOUSLY

Communications

10. Communication from Supervisor Van Dyck re: Instruct the Human Resources Department to issue the appropriate RFP in order to solicit the services of a compensation consultant to review the County's current classification & compensation study and to provide guidance on the proper structuring and implementation of the classification & compensation program including review of existing classification discrepancies. *Referred from January County Board.*

Supervisor Van Dyck stated that based on the last discussion it was pretty evident that this was needed. He continued that there are still issues with the 90-some denials, but he thinks that the potential issue is bigger than that. In addition, in looking at the plan in general Van Dyck felt that coming off of where we were and what was tried to be implemented, it might be time to take a step back and get some outside help from a consultant who has done this for large corporations in the private sector. He would like a consultant to take a look at what has been done and either agree with it or tweak it and then help give some credibility that what we have is viable going forward. Van Dyck wanted to make it clear that this is not to take anything away from the HR department and all of the work they have done up to this point but he felt it would be good to have this looked at by someone outside of the organization.

Lund asked Van Dyck if he knew how much something like this would cost. Weininger stated that this would have to go to an RFP by HR.

Motion made by Supervisor Van Dyck, seconded by Supervisor Erickson to direct HR to do an RFP. Vote taken. MOTION CARRIED UNANIMOUSLY

Referred from Administration Committee

10a. Discussion and Pre-Approval for the Fiber Relocation for the Packer Tiletown District Utility Bid.

Weininger stated that this is somewhat of an emergency. The County was contacted by the contractor for Ashwaubenon that the County's fiber optic that runs down Lombardi Avenue needs to be removed and relocated due to the Tiletown District construction. Weininger continued that unfortunately given the quick time turn around there is not a lot of leeway and they are moving forward with it. He indicated that the Village of Ashwaubenon will pay for the relocate and approval is simply needed to move forward.

Motion made by Supervisor Fewell, seconded by Supervisor Van Dyck to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

Treasurer

**11. ACTION - Review and approval or rejection of bids for tax deed properties:
(Bid results of 2-5-16 to be handed out at meeting)**

<u>Parcel #</u>	<u>Municipality</u>	<u>Address</u>	<u>Min. Starting Bid</u>
21-1293-2	City of Green Bay	1739 Main St.	\$37,500
14-157	City of Green Bay	1274 Cherry St.	\$6,800
1-898	City of Green Bay	1322 S. Chestnut Ave	\$5,700.
2-661	City of Green Bay	519 Twelfth Ave	\$6,300

Treasurer Paul Zeller indicated that the last attempt to sell these properties did not yield any bids. Zeller recalled that these are the four properties that were put up for bid for a second time because they did not sell in the first round. He stated that Wis. Stats. §75.69 provides that appraised value means the value determined at the discretion of County Board or by a committee designated by the County Board or a certified appraiser. Zeller stated that results for the appraisal service RFP have not been received yet, but they are coming. He wanted to make sure the Committee knew that the Statutes allow the Executive Committee to set the appraised value. He also noted that we could go back to the last assessed valuation on these parcels as a starting point if the Committee desires. The assessed valuation would go back to the 2011 tax year for these parcels. Zeller explained that the assessed valuations are set by the City of Green Bay and these assessed values will be higher than the minimum starting bids.

Lund asked Zeller if he felt there would be action on these parcels if the minimum bid was set at \$100. Zeller said he felt that there would be action on three of the four properties if the minimum bid was set at \$100. He explained that the Main Street property is held up by the petroleum contamination. Lund suggested eliminating the Main Street parcel at this time but setting the minimum bid at \$100 for the other properties.

Zeller stated that he is unable to attend the March Executive Committee meeting and therefore would like to extend the auction period a little bit and bring the bids back to the Committee in April. Lund indicated there was no problem with this.

Motion made by Supervisor Buckley, seconded by Supervisor Evans to set the minimum starting bid at \$100 for Parcels 14-157, 1-898 and 2-661. Vote taken. MOTION CARRIED UNANIMOUSLY

12. Discussion – Summary Recap of 2015 Tax Deed Real Estate Sales and Treasurer’s Budget Account # 100-080-001-4907 Gain on Sale of Tax Deeded Lands.

Zeller reported that he acquired 38 properties in 2015 and they sold 34. There are still some carryovers, but they are doing pretty good in liquidating the inventory. The net gain is \$67,070.51 and Zeller believes that they can hit that number or better this year, although it is somewhat dependent on what properties are acquired in the foreclosure process. He noted that there will be a resolution on this at the Board meeting next week regarding a request from the Town of Morrison.

Motion made by Supervisor Fewell, seconded by Supervisor Van Dyck to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

Resolutions, Ordinances

13. Resolution Authorizing and Approving a Supplement to Lease Relating to the Issuance of Refunding Bonds for the KI Convention Center Project by the Redevelopment Authority of the City of Green Bay, Wisconsin, and Other Details with Respect Thereto.

Bond Counsel Brian Della addressed the Committee and provided a handout, a copy of which is attached. He stated that he is here to talk about some lease revenue debt for which the County is responsible for making payments on. Della referenced the two debt issues listed on Page Two. The first is the Community Development Authority of the Village of Ashwaubenon which was issued in 1999 and then refinanced in 2002 and again in 2012 for an interest rate savings and at that time it was also made taxable. Della explained that when debt is issued on a tax exempt basis, the IRS puts a lot of rules and regulations in place for the taxes and borrowers. Because of the somewhat private nature of the Resch Centre or fee potential operating contracts or management contracts it was decided that since rates were so low it should be made taxable. By doing this, money would be made and there would not be dealings or concerns with the IRS from that point going forward.

The second debt as shown on Page 2 of the handout is with regard to the Redevelopment Authority of the City of Green Bay related to the KI Convention Center. This was issued in 1999 and refinanced in 2006 for interest rate savings. At this time the proposal is to refinance the 2006 issue for savings and to make it taxable to eliminate any future possible IRS concerns.

Della moved on to Page Three of the handout and noted that Brown County is the obligor but has not been paying from the tax levy as room taxes have been sufficient to pay for both series of bonds. Page Three also shows the amount of debt that is supported by the net hotel room tax receipts as of January 1, 2016. The aggregate total is about \$3,745,000 and to date the room taxes have been in excess of that.

Della continued by referring to Page Four which provides the estimated savings associated with the \$10.2 million Taxable Lease Revenue Refunding Bonds, Series 2016 which is the amount of approximately \$35,000 a year. Rates have gone lower since this was prepared, but there would still be modest savings and, more importantly, it would be converted to a taxable issue.

Buckley asked where the savings would be going. Della responded that there is a room tax and there is a flow of funds and essentially there is gross room tax and a portion is capped by the municipality. The net room tax is what the Trustee pays the debt service and then builds up any supplemental funds. Director of Administration Chad Weininger stated that at the end of the day it really does not come back to the County but the County is on the hook if the room tax does not come in so to have a smaller amount refunded would be better than having it not. Realistically the savings would be felt in the room tax dollars so not as much room tax dollars would be used to pay the debt down. Weininger stated that the savings would be in the neighborhood of \$300,000 dollars over the total life of it, but it puts the County in a better position because that is less money that if the room tax were defaulted upon that the County would owe so any savings would be good. The key here is that we would be going from a non-taxable to taxable which allows flexibility in the event of default.

Buckley asked again where the money goes. Weininger responded that less money of the room taxes will be used so there will be more in reserves which would probably go to the KI expansion for payment or it builds up in the room tax fund. Evans thought that the CVB gets paid from the room tax and asked if they would be getting more. Weininger responded that nobody is getting more money, but the excess of what is left in the room tax goes into the KI expansion dollars.

Buckley said that money was already approved on the KI expansion and if there are any savings he felt that they should go towards a different pot.

Van Dyck said that savings are a good thing, and nobody is contradicting that, but the question is if the room tax today does not match identically dollar for dollar what is owed and there is an excess, where is the excess and how much is it? Weininger did not have information on this at the meeting but said that he will get the figures together by the County Board meeting.

Della continued that the resolution is basically a supplement to the lease. He said we are talking about the lease because the issue is the RDA and the County is required to make payments through the lease. The lease payment that the County makes is exactly equal to the debt service payments on the bonds.

Evans was confused if the dollars will go into a segregated fund to be used for something that the Board decides on. Weininger thought that right now any savings are put into the KI expansion account, but he will double check this. Evans noted that the County has been able to make the KI payments that were agreed to and asked if this was being put into a segregated account in case the County defaults in the future. Weininger responded that that is what the reserve funds are for so if a payment is not made the reserve will cover it. Weininger stated that he will confirm this by e-mail to the Executive Committee members.

Buckley said if these funds are being drawn from the hotel tax, and \$32,000 less is withdrawn from the hotel tax, the money has to be in some pot and he feels that the County has committed enough to the City

for the KI. Evans added that the CDA is Resch Centre and the RDA is the expansion of the KI and all we are talking about refunding the KI expansion. Further, the way the agreement was reached, any savings dollars would go to help fund the KI expansion.

Van Dyck stated that there is already a bond issued and asked if the extra would go into a reserve fund. Weininger said that the reserve is already filled up so it is additional dollars to pay towards the bond. Della added that the first dollar goes to pay bond service and any extra dollars go to any deficiency in the reserve fund, but there is not a deficiency in the reserve fund. There is always excess money because there is always revenues to meet the debt service obligation.

Evans noted he does not have a problem supporting this, but he would like to know where the dollars are and he felt it may be better to take this up as Committee of the Whole at the Board meeting. Evans also noted that the County was not able to recoup the savings when this was done for the CDA and Weininger stated that this offsets the amount of the fluctuating room tax and further, there is an existing agreement as to how those dollars are spent.

Motion made by Supervisor Erickson, seconded by Supervisor Evans to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

14. Resolution re: Change in Table of Organization for U.W. Extension Master Gardener Volunteer Coordinator.

Motion made by Supervisor Erickson, seconded by Supervisor Van Dyck to approve. Vote taken. MOTION CARRIED UNANIMOUSLY

15. Ordinance Amending Sections 4.93 of Chapter 4 of the Brown County Code Entitled "Grievance Procedure". *December motion: Refer to February.*

Motion made by Supervisor Evans, seconded by Supervisor Erickson to change the fourth sentence of the Ordinance to read as follows: The Impartial Hearing Officer must answer the following question: Based on the preponderance of the evidence presented has the ~~Grievant~~ Administration proven the decision of the by Administration was arbitrary or capricious without with just cause. No vote taken.

Evans said that Administration should prove that they went through just cause because they hold the records, they initiate the progressive discipline and things like that and therefore Administration should be providing just cause. He continued that he had spoken with general counsel of the WERC and was informed that it is really up to the County on who the burden is on, the employer or the employee. Evans continued that the WERC also said that in most organizations when it comes to discipline the burden of proof is on the employer, but that is not specifically stated.

Evans said that there is just cause that the State is putting in under Roth and Steineke so there is a template to go off of what they figure would be just cause. Further, the Wisconsin Department of Revenue has said that defining just cause for employee discipline can encompass specific situations like threats, harassment, serious violations of ethics code and sends a message to taxpayers and employees that maintaining integrity is priority. Additionally, any reasonable employee would agree that theft, workplace violence or watching pornography on the job warrants grounds for termination. This aligns the State on the side of common sense and eliminates a gray area surrounding the State's ability to terminate employment. Evans mentioned a number of examples where State employees got their jobs back after doing things such as viewing pornography and sharing drugs with inmates.

Evans continued that he felt the just cause clause was good protection for the County. Van Dyck stated that he would like to hear the opinion of Corporation Counsel on this. He also stated that he had contacted the WCA and their legal counsel looked at this. Van Dyck provided a copy of the response from

the WCA for the record, a copy of which is attached, which states that, "The overwhelming majority of counties do not have a "just cause" standard in their handbook. There are a variety of management-related reasons for doing so, but from a legal standpoint there is a very good reason as well. Incorporating a cause standard gives rise to the argument that an employee has a legitimate expectation of continued employment that cannot be taken away without due process of law. This creates a constitutional issue and opens a public employer to potential federal claims on discipline and termination decisions. I don't think the empirical evidence supports any claim that there have been employment decisions made on a whim or that the discretion now afforded management has been exercised in an arbitrary fashion."

Corporation Counsel Juliana Ruenzel explained that the just cause standard is a standard that was put in place for labor contracts and is statutory for protected services. It is a very tough seven step test that you have to go through. Ruenzel continued that Evans is right in that many people that are in the wrong will continue to be employed when they do things such as watch pornography because the employer may have missed a step or their counsel made a good argument that it was not sufficient to give them notice. The problem with the just cause standard at this time is that Under Act 10 and Act 32 those standards were basically given away to make it employment at will to give employees more flexibility. If the words just cause are used, even if it defined differently, the Courts will still view it as this is the seven steps that have to be gone through in order to terminate someone's employment. She continued that this is actually going back to the union stuff and giving people property rights because now if you do not meet those seven steps and you claim you do in a grievance and it is appealed, you could end up in further litigation because now a property right has been created to a job.

Evans referenced the cases he talked about earlier and said that he disagrees with some of what Ruenzel said. He said the County could put in place such things as physical violence or harassment, being intoxicated, theft of property, conviction of a crime, falsifying business, misuse of property, distribution or watching pornographic material and no call no show as these are all certainly issues for immediate termination. He referenced what is currently going on in the Highway Department and it seems like some of the steps even without Act 10 are creating problems. Evans continued that to him it does not seem like the processes are in place, or, if they are, they are not being followed accordingly. He felt that this would provide the opportunity to say that we will adhere to the definition of treating employees fairly, protecting ourselves and having the correct documentation and he felt that this was prudent in any organization. He understands that Wisconsin is an at will state but felt that it was a little different in the public than it is in the private sector.

Evans said that he sees problems in that grievances are coming forward and he felt that it would work well for the County to have just cause. He said that this is just his opinion and the Committee can disagree if they want and we can go from there but he thinks it is appropriate to add.

Buckley said that once a case gets to the grievance stage and comes before Executive Committee and County Board, if there is a feeling that there is wrong doing, that is what we're here for. He felt that the grievance procedure is already in place and he does not know that we need any more. He would like to see a personnel committee that would spend more time on it, but at this time the process is the Board and if there is interest that the employee gets a fair shake, the current procedure is probably better for the employee than any language.

Ruenzel added that some of the grievances have not even made it to the Committee because they have been overturned and found in favor of the employee through Risk Management. Buckley added that at this time he does not support this unless Evans can show him an example of where an employee has not been treated fairly.

Van Dyck supports the fact that there have been some issues recently that maybe could have been handled in a better manner, and he feels it comes back to something that he said before and is the fact

that he does not feel that managers are appropriately trained to deal with these situations. He felt whether the County does or does not have just cause is irrelevant; it is more the matter of the supervisors being trained on how to handle situations. Van Dyck continued that his concern with putting just cause in is how broadly it has been defined. His concern is if, as Evans said, you can add specific language, but we're not doing that, we are just putting just cause out there which then leaves it to the discretion of an attorney. He continued that if something is informally filed, that's one thing. If what we are trying to do is codify, then there is a legal standard by which we will have to do all this discipline and in the case it would go to court, you would have to have the documentation otherwise you run the risk of "gee you didn't follow this procedure correctly" and the employee will stay on. He did not see the benefit to the taxpayers of the County being forced to keep employees on because of manager's mistakes. Van Dyck would rather get back to having an understanding with Administration that we went to see more of a disciplined approach because he think this was opening the County up to either costing more or having the managers say it is not worth the hassle to go through and therefore employees who probably should not remain employed will.

Van Dyck continued by providing an example about a School Board who took a case to the Wisconsin Supreme Court regarding a discharged employee which has already cost the school district over \$598,000 and could rise to \$933,000 in legal costs, arbitration costs and back pay. Van Dyck said that he sees just cause as not doing much other than protecting employees that should not be protected and should not have their jobs and he will not support this at this time.

Evans responded that he had seen the case Van Dyck referred to, but said that the processes and procedures can be written into the ordinances. He stated that it is as simple as saying "no pornography" and if someone is in violation of that they are terminated. He is not saying we just put in just cause, he also wants to see that the correct policies and procedures are in place and defined. Ruenzel stated that there is always a danger when you start listing things because things are constantly changing and she used sexting as an example. Evans disagreed with Ruenzel because the Committee meets every month and when the Committee starts to see that things and times are changing, they can bring it up and make the appropriate changes. He felt that to just say that we don't want to do it or list it is really opening up a Pandora's Box. Evans felt if there is just cause and a list of items that currently are in place and if an employee violates that they are terminated. Ruenzel stated that the WCA recommends not being specific because it is limiting under the courts. She said that an exclusive list should be avoided, but you could add language like "such as but not limited to".

Buckley said it is impossible to anticipate every circumstance that could come up and it does not make sense to him to pass it because nothing is spelled out and secondly, he does not want to see it because the Committee and the Board would lose flexibility on trying to address potential employee issues. He continued that the Executive Committee is part of the grievance procedure and if someone wants to make sure that an employee gets a fair shake they would come and listen to the grievance. Further Buckley said that when employees come to County Board or Committee they probably get more favorable treatment than they do from the department heads. Ruenzel agreed that the Committee has been very employee friendly and has been reasonable with them.

Fewell stated that when grievances come to the County Board, the Board is only evaluating whether or not Administration followed the procedures. Lund stated that now the grievances will only go to the Executive Committee. Fewell stated that he tends to agree with Evans on some of this, and he understands that it takes away some of the flexibility, but sometimes there needs to be some structure that is being followed and there needs to be some due diligence by the Administration and on the supervisors to do their job and do it accurately and not just arbitrarily make decisions. He felt there needs to be some procedure that is known by the employees and laid out for them.

Van Dyck agreed with Fewell, but also thinks that what he is saying is let's change the process by which this Committee can make decisions instead of just being a cut and dried issue of did they follow

procedures and we're not really delving into the facts of the circumstances and making decision on that, but we should be allowed to have more parameters and flexibility to make decisions. He agreed that there have been several things that have come up that he does not necessarily agree with the punishment that was handed out but the Board was only in the position to say whether the process was followed. To him it would make sense for the Committee to have some flexibility but he is not in agreement about what is being discussed here.

Erickson felt that somehow we have to arrive at a happy medium. He does agree with Evans in that we cannot go around handing out blank sheets. He continued that the employee handbook explains certain things that would result in immediate termination. Erickson said he will not pull the second to the motion, but he may make a motion by substitution. He asked if it would be okay to request that the employee handbook be reviewed to see if it reflects the motion. Ruenzel stated that she looked at just cause and found that just cause would override at will. Lund noted that employees do have the right to grieve the termination and Ruenzel responded that that is by State Statute. Lund asked if the employee handbook sets out what an employee can be terminated for besides their job being terminated. Connell noted that there is a list set forth in the handbook. Evans would like HR to send him a link to the employee handbook and he would also like a hard copy.

Motion by substitution made by Supervisor Erickson, seconded by Supervisor Evans to bring back at April meeting and have a copy of this section of the Employee Handbook distributed to the Executive Committee prior to the meeting so a comparison can be made of this resolution and the handbook. Vote taken. MOTION CARRIED UNANIMOUSLY

Reports

16. County Executive Report.

The County Executive was unable to attend the meeting and therefore no report was given.

Motion made by Supervisor Evans, seconded by Supervisor Fewell to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

17. Internal Auditor Report.

Internal Auditor Dan Process wished to touch on item 1e of his report contained in the agenda packet which refers to the audit of the asphalt plant. He shared several documents with this with the Committee, copies of which are attached, that outline what has taken place to date. Page One of the handout is a timeline of when the first commination came about and what has followed. He said that there was a compilation of a list put together by Administration, Public Works and himself to identify some accounting firms that could potentially do an audit. On January 22, 2016 five potential CPA firms were contacted. The PD & T meeting was then held on January 25, 2016 at which time moving forward with the audit was discussed. Following PD & T some discussions had occurred with the initial five CPA firms along with an additional four firms that were contracted.

Page Two of the handout is a summary of each of the firms that were contacted regarding the audit and some of their comments. Process wants to make sure that if the audit moves forward, that there is some understanding of what the audit will entail. The bottom of the second page indicates the audit scope and Process wants to be sure that it is understood that the period to be reviewed is the 2015 activity which is the first full year that the asphalt plant was in production.

Erickson said that he would like to see the audit completed with the main thing that has been in discussion is the cost of the asphalt. He noted that there have been some very erroneous accusations made by outside sources that have never come to the Committee or communicated in any way. Erickson

would like to see the audit pursued, get the actual numbers for the end of the year and he would like to see this done by mid-March. He said that it did not look like too many of the audit firms have an interest in this. Process stated that there are three potential firms and he said that one of the criteria was to be sure that the firm had some experience in the field to help alleviate any questions anyone would have based on the audit results. Process also stated that there was one firm that had initial interest but then withdrew. Erickson noted that Schenck is already the County's auditor, they know the County and they have experience. Fewell questioned if that would be a conflict of interest.

Lund noted that the go ahead for the audit will not be approved until County Board as this came out of PD&T. Buckley said we need more than this to vote on and Lund responded that he did not believe the Executive Committee would be voting on this as they are not the oversight Committee for PD&T. Fewell stated that these are preliminary inquiries and asked if there was an RFP sent out. Weininger noted that if the project is under \$10,000 an RFP is not necessary. What happens is they get three bids and then make a selection. Fewell thought that some of these firms would have a conflict of interest.

With regard to conflict of interest, Van Dyck stated that unless they are doing work for specific road builders that would bid on County projects, there should not be a conflict of interest. Van Dyck agreed with Lund in that this should be pulled at County Board and approved. Lund said again that a motion was done at PD & T to do an audit, but Process corrected that there was not a motion. Erickson said that there was a directive to do the audit.

Weininger stated that administratively this can be paid for through professional services if it is less than \$10,000 and all that would be needed is three bids. Now that the auditor is involved, however, it is a little different and he would like to see the Board make an official recommendation after pulling this from the PD & T report.

Erickson stated that the original recommendation was to do a complete audit after 2015 and this is a follow-up to that.

Evans mentioned the "quality of asphalt produced" in the audit scope and asked how an accounting firm will tell us that. Process stated that the Highway Department uses a third party to do testing and those records could be used. Evans said that having the quality of asphalt assessed is very important and he wants to know who is going to be measuring this. Weininger stated that that was part of the original recommendation from the original auditor which was Scheck who has experience doing asphalt plants. Weininger stated that the auditing firm will do the sampling.

Buckley stated that it looks like there are only two firms capable of doing this audit. He does not want to see this rushed because he wants to be sure that it is done right. Weininger felt that both of the potential firms will do a good job on this because they know there is a lot of scrutiny on this and they will do their due diligence.

Motion made by Supervisor Fewell, seconded by Supervisor Evans to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

a) Monthly Status Update: January 1 – January 31, 2016.

Motion made by Supervisor Van Dyck, seconded by Supervisor Evans to receive and place on file. Vote taken. MOTION CARRIED UNANIMOUSLY

18. Human Resources Report.

a) Discussion regarding the calculation for the wage adjustment of the .5%, 1%, 2% and 3%.

Finance Manager Dave Ehlinger provided several documents to the Committee, copies of which are attached. Weininger explained that the intent of the wage adjustment was not a COLA, but the intent of the Board action was to try to get employees to the market.

Ehlinger said that the actual motion that occurred at County Board discussed mid-point and maximum, but did not define what the midpoint and maximum was. The intent in working with Van Dyck earlier were that the quintiles from the class and comp study were to be used. The quintiles went from 80 – 96%, 97 – 104% and 105 – 120%. A determination had to be made what a person's wage compared to the market was. The vast majority did not equal an even percentage. For the individuals who fell between 96% and 97% or 104% and 105% there was no guidance. Basic math rules for rounding were used, so, for instance, between 96 and 97%, 96.5% became the midpoint and anything below 96.5% was rounded down to 96% resulting in 3% and anything above 96.5% was rounded up to 97% resulting in 2%. The same was done between 104 – 105%.

Erickson thought the confusion happened because this was based on 2015 salary. Weininger felt that some of the employees thought there should have been some inflationary adjustment done in 2015 to move salaries up and then do a calculation, but that was not built into the County Board's motion so if inflationary increases were given, additional dollars would have had to be allocated to cover that and also the wage adjustment.

Van Dyck asked if the market compared to was an equal time frame. Senior HR Analyst Christina Connell responded that the information provided by Wipfli was collected in 2014, but aged to 2015. Van Dyck asked if there is someone above market at 104% and they get a 2% increase, would it put them above market? Ehlinger stated that that is correct and the way they understood the motion is that if someone originally got a 2% wage increase which caused them to go into the 105% bracket, that wage increase was adjusted to 1% with the intent of getting people to market, as opposed to a COLA type increase. Ehlinger continued that most individuals in this scenario were capped at 1% instead of 2%. Van Dyck stated that theoretically, if someone was at 104% of market and were entitled to a 2% increase, but that would put them above market, they were backed down to 1% but potentially they could have gotten 1.5% and still stayed in their range. Weininger said that they talked about using a percentage but it was decided to go with the quintiles because that way they worked backwards to determine what percent increase they needed to get to market. Van Dyck said that in theory, assuming everything moves accordingly, they likely received a 1% increase instead of a 2% increase which then following the same protocol next year they may receive a 2% versus a 1% increase. In other words, while it is a negative impact this year, if those individuals were to get 2% this year and the same scenario plays out next year, it would push someone into the above market bracket in which case next year it would be a 1% whereas there is the potential that this year might have been a 1% and next year might be a 2% so all things will equal out possibly. Weininger and Ehlinger both indicated that that was correct.

Supervisor Fewell arrived at 5:55 pm.

Motion made by Supervisor Erickson, seconded by Supervisor Evans to open the floor to allow interested parties to speak. Vote taken. MOTION CARRIED UNANIMOUSLY

-Mike Buhr, 5992 Langes Corners Road, Denmark, Wisconsin

Buhr said that this can be spun anyway you want, but the way he looks at this it is unfair. He said that the way it was presented to him, when you have the workforce doing what they do, and he understands the Committee's jobs are hard, but he came to work for the Highway Department to better himself and the community and he feels that the mechanics and drivers do a great job but are under appreciated and their wages reflect it. He understands that it is hard to compare their jobs to the private sector but he feels that for the last few years they have been getting beat down and he does not want it to continue that way until he has to make a different decision.

-Steve Sweemer, 13538 Velp Avenue, Green Bay, Wisconsin

Sweemer provided the Committee with a handout, a copy of which is attached. The attachment shows the rate of pay for the mechanics and how it calculates out to 102.69% which should put them at 2%. He continued that HR used their 2016 pay rate to calculate this and then it was rounded up to 105%.

Van Dyck said you cannot use a 2016 pay rate and then a 2015 market rate. Connell noted that the aged market rate for 2015 for a mechanic is \$22.67. Van Dyck said they are applying the 2016 pay increase and then comparing against the 2015 number.

Interim Public Works Director Paul Fontecchio said that the 104.74% is from HR. He continued that the \$22.67 is the 2015 market and when looking at the December 11, 2015 memo from HR, it says 2015 rate, so the 2015 pay into the 2015 market should be 102.69%. To get 104.74% which then was rounded up, you use the 2016 projected pay into the 2015 market. Fontecchio said that it appears that that is what HR did and that is why the employees are here tonight.

Ehlinger stated that without seeing the actual Excel spreadsheet, as Fontecchio said, if it was the 104.74% we are back at 104.74% being rounded up to 105% and because that put them to the quintile above market with the intent to go to market, it was changed from 2% to 1%.

Van Dyck said that he does not have a problem with the rounding, but if what Fontecchio presented is accurate, he does not understand why the 2016 number was divided by the 2015 base because it does not make any sense. If this is how the calculation was done, he agrees that it is not right. Connell responded that the calculations were done based on the 2015 pay rate. The 2015 pay rate was reviewed and then entered into the spreadsheet to calculate whether they were going to get .5%, 1%, 2% or 3%. Van Dyck said that based on what he is seeing presented by the mechanics, they should be receiving a 2% increase.

Ehlinger directed the Committee's attention to the documents he distributed. There is an English translation of the Excel formulas. Van Dyck said that the question is what is being defined as market and if HR is working with 2015 wages, then the market should have been the 2015 number, not applying an increase and then saying we're not comparing it to the 2016 base because that does not make sense. The 2015 base should have been increased before the calculations. The Committee agreed with Van Dyck and Buckley asked Ehlinger if he agreed that the rates are adjusted wrong. Ehlinger responded that he would agree that they compared against the 2015 market using 2016 wage numbers because the plan was not a COLA increase, but rather an adjustment to get the people as close to market as possible. Van Dyck stated that he is an accountant but does not understand the logic of this and that is not the way he would interpret the calculation should be done. He said that taking a person's wages, increasing them by an amount and then comparing them to the 2015 base does not make any sense and he does not understand the logic.

Buckley asked if calculations were made the same way for all employees. Fewell felt that this may be opening a huge can of worms. Lund noted that this issue could be raised for anyone that fell between the percentages.

-Jim Beaupre, E527 Bader Road, Luxemburg, Wisconsin

Beaupre said that this is simple math that they can figure out themselves. If you take where they are at market, where the wage was, it comes up to 102.69%. Then HR took the projected 2016 wage and divided into that which brings them to 104.74% and then rounded it up. That is why they are attending this meeting. He feels that HR had to try to find a way to get them down to 1%. Beaupre continued that when HR sent out the memo saying what they are going to do for raises, any of the guys can figure out what the percentage is against the market.

Motion made by Supervisor Buckley, seconded by Supervisor Evans to return to regular order of business. Vote taken. MOTION CARRIED UNANIMOUSLY

Buckley asked for this to be explained one more time because he does not understand the logic of how the calculations were made. Ehlinger responded that his understanding of the intent of the motion was to have an increase to individuals to get them as close as possible to market as they could. This was as opposed to a COLA increase where they are limited under the Wisconsin Statutes that they can do this. Ehlinger continued that Van Dyck's point that we should be comparing the new rate against the 2016 adjusted rate would have merit except that we do not know what COLA increase to add to the 2015 rate to get to the new 2016 rate and again, they have to be very careful that this is not a COLA increase, it is a wage adjustment. Ehlinger continued that the motion did not talk about a COLA increase. Weininger added that the goal was to take the 2015 wages and try to get those to market, so what was done is they took the percent increase to get the wage rate closest to market without going above market.

Van Dyck understood that this is a not a COLA, and he is okay with that, but the 2015 wage rates should have been compared to the 2015 market. The study was already done and was the basis on which it was compared whether someone was above or below market. He is fine with that and he is fine with making the argument to employees that based on that information and depending where the rounding comes out, that is the way it is and it might be in your favor this year but not next year or vice versa. But he does not know how it can be justified taking the 2015 market rate, taking the 2015 wages and increasing them and then comparing it to a 2015 rate. It does not make any sense and it is like saying when Wipfli did the increase, the numbers should not have been aged. Weininger responded that the Finance Director is saying is that there should have been an additional COLA built in to allow for that. Van Dyck said there is no COLA necessary; they are comparing 2015 wages in the County to a 2015 base rate that has been taken from other people's wages and then saying are they above, below or at market and based on that, they get this increase. Van Dyck does not understand why they add in an increase and then compare.

Motion made by Supervisor Erickson to place the mechanics increase at 2%. No second, no vote taken.

Buckley said he would rather see this go back to have the entire thing recalculated. Fewell noted that nothing can be approved without a fiscal impact. Van Dyck said it should be 2015 compared to 2015. Weininger stated that that is what they did, but Van Dyck disagreed.

Ehlinger stated that he felt there was a difference of opinion on this and as Supervisors, they can make any motion they wish to.

Motion made by Supervisor Van Dyck, seconded by Supervisor Erickson to refer back to Administration to recalculate the 2016 wage increases to compare the 2015 pay to the 2015 market rates and bring back fiscal impact in a month. Vote taken. MOTION CARRIED UNANIMOUSLY

Other

19. Such other matters as authorized by law. None.

20. Adjourn.

Motion made by Supervisor Erickson, seconded by Supervisor Fewell to adjourn at 7:15 pm. Vote taken. MOTION CARRIED UNANIMOUSLY

Respectfully submitted,

Therese Giannunzio
Recording Secretary

Brown County, Wisconsin Refinancing KI Debt Discussion

RDA of the City of Green Bay
\$10.2 million Taxable Lease Revenue Refunding Bonds, Series 2016

Executive Committee - February 8, 2016
Administration Committee - January 28, 2016



Prepared by
Public Financial Management, Inc.
115 South 84th Street, #315
Milwaukee, Wisconsin 53214
414-771-2700





Debt Guaranteed by Brown County

Brown County guarantees* the debt service payments on debt that was issued by other entities.

- **Community Development Authority of the Village of Ashwaubenon**

- \$35.8 million was issued to finance the Resch Center in 1999
- CDA is the Issuer but it has no liability to make debt service payments
- Brown County is the Borrower and must make payments regardless of room taxes collected
- The 1999 issue was refinanced in 2002 for interest rate savings
- The 2002 issue was refinanced in 2012 for interest rate savings, and made taxable

- **Redevelopment Authority of the City of Green Bay**

- \$11.8 million was issued to finance the KI Convention Center in 1999
- RDA is the Issuer but it has no liability to make debt service payments
- Brown County is the Borrower and must make payments regardless of room taxes collected
- The 1999 issue was refinanced in 2006 for interest rate savings
- **The 2006 issue is proposed to be refinanced for interest rate savings, and to be made taxable**

* The County leases both facilities from the respective Municipal Development Authorities and is obligated "to take whatever action is necessary to fund" debt payments when they come due pursuant to the leases and §4.06 of the Cooperation Agreement.

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Existing Hotel Room Tax Supported Debt

Below is a table that provides the existing debt service requirements for the two debt issues that are supported by net hotel room tax receipts as of January 1, 2016.

The average annual combined payment is \$3,746,165.

Year	Existing Debt			Existing Debt			CDA / RDA Total
	2012 CDA Bonds		CDA Total	2006 RDA Bonds		RDA Total	
	Principal	Interest		Principal	Interest		
2016	\$ 1,935,000	\$ 1,000,789	\$ 2,935,789	\$ 380,000	\$ 429,190	\$ 809,190	\$ 3,744,979
2017	1,940,000	968,330	2,908,330	425,000	413,280	838,280	3,746,610
2018	1,955,000	927,906	2,882,906	470,000	395,263	865,263	3,748,169
2019	1,970,000	880,795	2,850,795	520,000	375,085	895,085	3,745,880
2020	2,015,000	827,468	2,842,468	550,000	353,013	903,013	3,745,480
2021	2,045,000	766,538	2,811,538	605,000	328,895	933,895	3,745,433
2022	2,080,000	698,458	2,778,458	665,000	302,225	967,225	3,745,683
2023	2,110,000	625,118	2,735,118	740,000	272,720	1,012,720	3,747,838
2024	2,165,000	541,131	2,706,131	800,000	240,380	1,040,380	3,746,511
2025	2,215,000	448,056	2,663,056	880,000	205,100	1,085,100	3,748,156
2026	2,270,000	352,750	2,622,750	955,000	166,088	1,121,088	3,743,838
2027	2,335,000	254,894	2,589,894	1,035,000	123,303	1,158,303	3,748,196
2028	2,395,000	154,381	2,549,381	1,120,000	76,970	1,196,970	3,746,351
2029	2,435,000	51,744	2,486,744	1,230,000	26,445	1,256,445	3,743,189
	29,865,000	8,498,356	38,363,356	10,375,000	3,707,955	14,082,955	52,446,311

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Estimated Savings

Below provides the estimated savings associated with the \$10.2 million Taxable Lease Revenue Refunding Bonds, Series 2016.

The estimated average annual savings is approximately \$32,759.

Year	Existing Debt (after June 1, 2016 payment)			Estimated 2016 Refunding Bonds			Estimated Savings
	Principal	Interest	RDA Total	Principal	Interest	RDA Total	
Dec. -16	--	\$ 210,890	\$ 210,890	--	\$ 204,694	\$ 204,694	\$ 6,196
2017	425,000	413,280	838,280	495,000	309,028	804,028	34,253
2018	470,000	395,263	865,263	530,000	300,908	830,908	34,355
2019	520,000	375,085	895,085	570,000	290,305	860,305	34,780
2020	550,000	353,013	903,013	595,000	277,763	872,763	30,250
2021	605,000	328,895	933,895	640,000	262,600	902,600	31,295
2022	665,000	302,225	967,225	690,000	244,620	934,620	32,605
2023	740,000	272,720	1,012,720	755,000	223,635	978,635	34,085
2024	800,000	240,380	1,040,380	810,000	199,553	1,009,553	30,828
2025	880,000	205,100	1,085,100	880,000	172,275	1,052,275	32,825
2026	955,000	166,088	1,121,088	945,000	141,218	1,086,218	34,870
2027	1,035,000	123,303	1,158,303	1,020,000	106,065	1,126,065	32,238
2028	1,120,000	76,970	1,196,970	1,100,000	66,825	1,166,825	30,145
2029	1,230,000	26,445	1,256,445	1,200,000	23,100	1,223,100	33,345
	9,995,000	3,489,655	13,484,655	10,230,000	2,822,586	13,052,586	432,069

13

Additional Benefits to Refinancing



While the estimated savings on the previous page would be sufficient to move forward with the refinancing, it is only “half” of the benefit.

By issuing debt that is taxable instead of tax-exempt, the County is not subject to certain IRS rules regarding the ongoing operations of the KI Convention Center. For example, taxable debt would eliminate certain prohibitions on private use of the facilities and compliance with “qualified” management contracts* requirements.

Additionally, there wouldn’t be a possibility of an IRS audit regarding the use of the facilities for the period of time beginning when the 2006 tax-exempt bonds are retired in full (presumably, by the June 1, 2016 call date).

*IRS regulations provide that a “management contract” with respect to tax-exempt financed property may result in private business use of that property, depending on the facts and circumstances, but that a contract generally will result in private business use if it provides for compensation for services rendered with compensation based, in whole or in part, on a share of net profits from the operation of the facility.

Documents Before You



The packet for today's Administration Committee meeting has the following resolution, which contemplates a County Board vote at the February 17, 2016 Board meeting.

**A Resolution Authorizing and Approving a Supplement
to Lease Relating to the Issuance of Refunding Bonds
for the KI Convention Center Project by the Redevelopment
Authority of the City of Green Bay, Wisconsin,
and Other Details with Respect Thereto**

Also in the packet is the associated, **Third Supplement to Lease**, which is required anytime new lease revenue bonds are issued by an RDA as the Lease is the document that obligates the County to make payments (i.e., rental payments) to the RDA that are equal to the debt service payments on the RDA lease revenue bonds.

October 21, 2015

**AN ORDINANCE AMENDING SECTIONS 4.93 OF CHAPTER 4
OF THE BROWN COUNTY CODE ENTITLED "GRIEVANCE PROCEDURE"**

THE BROWN COUNTY BOARD OF SUPERVISORS DOES ORDAIN AS FOLLOWS:

Section 1 - Sections 4.93 of Chapter 4 of the Brown County Code regarding the Grievance Procedure is amended to include a Just Cause Standard of review as follows:

4.93 THE POWERS AND RESPONSE OF THE IMPARTIAL HEARING OFFICER.

Written Decision: After reviewing the evidence and closing the hearing, the Impartial Hearing Officer shall issue a written recommendation. The Impartial Hearing Officer may request oral or written arguments and replies. The recommendation shall contain findings of fact, analysis and a recommendation. The Impartial Hearing Officer must answer the following question: Based on the preponderance of the evidence presented, ~~has the Grievant proven the decision of the Administration was arbitrary or capricious?~~ ^{Administration} ~~without~~ just cause. Just cause is defined as follows: progressive discipline process such as a verbal warning and/or written warning, suspension and/or termination, or automatic suspension or termination if the situation is warranted.

Section 2 - This ordinance shall become effective upon passage and publication.

Respectfully submitted,

EXECUTIVE COMMITTEE

Approved by:

Troy Streckenbach, (Date)
COUNTY EXECUTIVE

COUNTY CLERK (Date)

COUNTY BOARD CHAIR (Date)

John Van Dyck

From: Jon Hochkammer <hochkammer@wicounties.org>
Sent: Thursday, October 08, 2015 11:01 AM
To: John Van Dyck
Subject: "Just Cause" Question

Good Morning John,

It was a pleasure having a conversation with you yesterday. Please feel free to check back with me if you need any additional information from WCA.

Please see the response below from our legal counsel regarding your "just cause" question.

Thank you, Jon
866-404-2700

Begin forwarded message:

From: "Andrew T. Phillips" <aphillips@vonbriesen.com>
Subject: RE: Just Cause Question
Date: October 7, 2015 at 4:24:54 PM CDT
To: Jon Hochkammer <hochkammer@wicounties.org>

Hi Jon –

The overwhelming majority of counties do not have a "just cause" standard in their handbooks. There are a variety of management-related reasons for doing so, but from a legal standpoint there is a very good reason as well. Incorporating a cause standard gives rise to the argument that an employee has a legitimate expectation of continued employment that cannot be taken away without due process of law. This creates a constitutional issue and opens a public employer to potential federal claims on discipline and termination decisions. I don't think the empirical evidence supports any claim that there have been employment decisions made on a whim or that the discretion now afforded management has been exercised in an arbitrary fashion – in fact, my experience suggests just the opposite is true.

I hope this helps. Let me know if you'd like further information or assistance.

Thanks –

Andy

Andrew T. Phillips
von Briesen & Roper, s.c.
411 East Wisconsin Avenue, Suite 1000
Milwaukee, WI 53202

**Brown County Board of Supervisors
Internal Audit
Asphalt Plant Audit**

Date(s)	Committee	Comments
12/16/15	Brown County Board of Supervisors	Late Communication (Vice Chair Lund) - To conduct a full audit of the asphalt plant expenses and savings.
12/17/15 - 01/15/16	n/a	Separate lists compiled by Administration, Public Works and Internal Audit identifying potential CPA firms.
01/22/16	n/a	Five (5) potential CPA firms from the lists compiled by Administration, Public Works and Internal Audit are selected and contacted (Hawkins Ash, Wipfli, Baker Tilly, Clifton Larson and KerberRose).
01/25/16	Planning, Development & Transportation (PD&T)	Vice Chair Lund's communication to conduct a full audit of the asphalt plant expenses and savings is discussed. Administration indicates that an audit will be performed, but that the selection process will be coordinated through the Board Office (Internal Auditor).
01/25/16 - 02/05/16	n/a	Further discussions continue with CPA firms initially contacted. Four (4) additional CPA firms are identified and contacted (Schenck, Deloitte & Touch, Ernst & Young and KPMG).

**Brown County Board of Supervisors
Internal Audit
Preliminary Inquiries - Asphalt Plant Audit**

Firm	Contact Person	Comments*
Hawkins Ash CPAs	Matt Neu (920-684-2549)	No direct experience, but numerous concrete, construction and contractor clients. Further discussions not pursued at this time.
Wipfil CPAs & Consultants**	Lonny Charles (920-667-2835)	Direct experience (private) as well as governmental expertise. Firm withdrew from audit consideration on 01/27/16 due to a potential conflict of interest.
Baker Tilly	Greg Sofra (920-733-7385)	No direct experience, but will reach-out to others within the firm. No additional information provided as of 02/05/16. Further discussions not pursued at this time.
Clifton Larson Allen (Sheboygan)	Ryan Ten Pas (920-803-5888)	Experience includes state DOT's, road builders, asphalt companies as well as governmental expertise. Firm indicated an April audit timeline and will try to give a cost estimate by the end of the week (02/12/16).
KerberRose CPAs / Sikich	Karen Kerber (715-526-9400) / Jim Wagner (262-754-9400)	No direct experience, but outside colleague may have experience. The following possible scenarios were provided: 1) Audit could be performed by individual without prior experience and outside consultation (Sikich). Estimated cost between \$X,XXX - \$X,XXX plus travel and direct costs. March 7 estimated timeline. 2) Audit could be performed by outside firm (Sikich) with experience. No timeline or cost estimate provided.
Schenck	Dave Maccoux (920-455-4114)	Direct experience (Langlade County) as well as governmental/Brown County expertise. Estimated cost \$X,XXX to \$X,XXX. Estimated timeline (on-site 02/22/16 and draft report 02/29/16).
Deloitte & Touche**	Bruce Arensmeir (414-977-2888)	Verbally declined audit consideration due to a lack of experience.
Ernst & Young (E&Y)**	Stew Brase (414-273-5900)	Declined audit consideration due to a lack of experience.
KPMG Peat Marwick	414-276-4200	Message left on 01/26/16. No response as of 02/05/16.

* Statements made by firm (verbally or via email).
** Audit consideration declined by firm.

Audit Scope:

Period to be reviewed - 2015 (first full year of production)
Costs to produce asphalt generated (2015)
Quality of asphalt produced (2015)

Audit Selection Process Considerations:

Experience - Prior asphalt plant audits/governmental background
Timing - ASAP (February)
Costs

How each method handles pay rates between 96.0% and 97.0%

98.0%

97.5%

97.0%

96.5%

96.0%

95.5%

95.0%



Written Motion



Quintiles



Excel

All methods have the same lower (80%) and upper (120%) limits

125.0%

120.0%

115.0%

110.0%

105.0%

100.0%

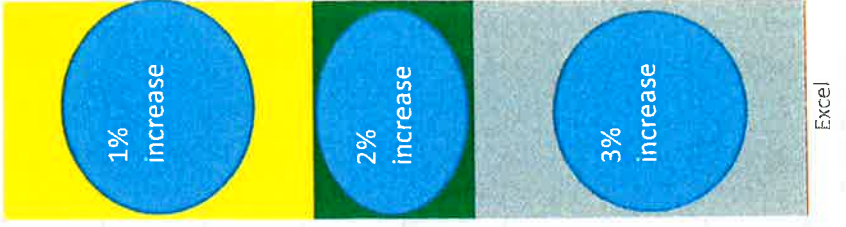
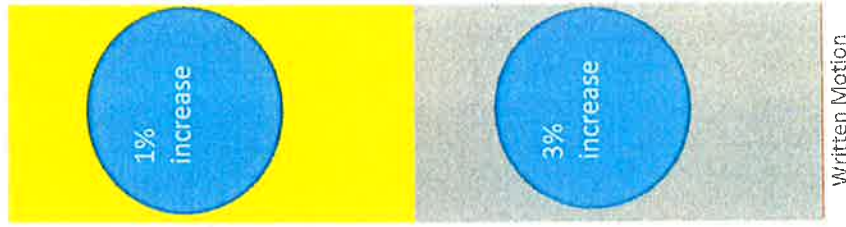
95.0%

90.0%

85.0%

80.0%

Series7
Series6
Series5
Series4
Series3
Series2
Series1



Excel calculations

Step 1 If the current rate of pay is less than 80% of market, increase the rate of pay to 80% of market

Step 2 If the current rate of pay is over 120% of market, then give a 0.5% wage increase, otherwise
If the current rate of pay is over 104.5% of market, then give a 1.0% wage increase, otherwise
If the current rate of pay is over 96.5% of market, then give a 2.0% wage increase, otherwise
If none of the above apply, then give a 3.0% wage increase

Step 3 If the wage increase from Step 2 increases the new rate to above 104.5% of market, then give only a 1.0% wage increase

Step 4 If the wage increase from Step 2 increases the new rate to above 120.0% of market, give only a 0.5% wage increase

Quintiles as per Comp & Class study

80% to 96%	Below market
97% to 104%	At market
105% to 120%	Above market
Over 120%	Above maximum

County Board motion from the floor, 11-04-2015

Increase of 3% for employees with a pay rate below mid-point
Increase of 2% for employees with a pay rate at mid-point
Increase of 1% for employees with a pay rate above mid-point to maximum
Increase of 0.5% for employees with a pay rate above maximum
Increase any employees with a pay rate below minimum to the minimum pay rate + 3%

Demarcation (border) points for each scenario

Written Motion	Quintiles	Excel
0.0%	0.0%	0.0%
80.0%	80.0%	80.0%
20.0%	16.0%	16.5%
20.0%	1.0%	8.0%
	7.0%	15.5%
	1.0%	
	15.0%	

Total	120.0%	120.0%	120.0%
--------------	---------------	---------------	---------------

18a

Motion from the Floor

I make the following motion:

Suspend, for The 2016 budget, the pay

for performance Matrix previously approved by The Board and for

The 2016 budget replaced with the following wage proposal. The matrix did the proposal 1.6% cost 405 am - 48 pay for performance allowance

Increase of 3% for employees with a pay rate below mid-point.

Increase of 2% for employees with a pay rate At Mid-Point

	Increase of 1% for employees with a pay rate above	Mid-point to maximum
" " .5%	" " "	" " maximum

maximum

Increase any employees with a pay rate below minimum to the

Minimum pay rate \$3.92

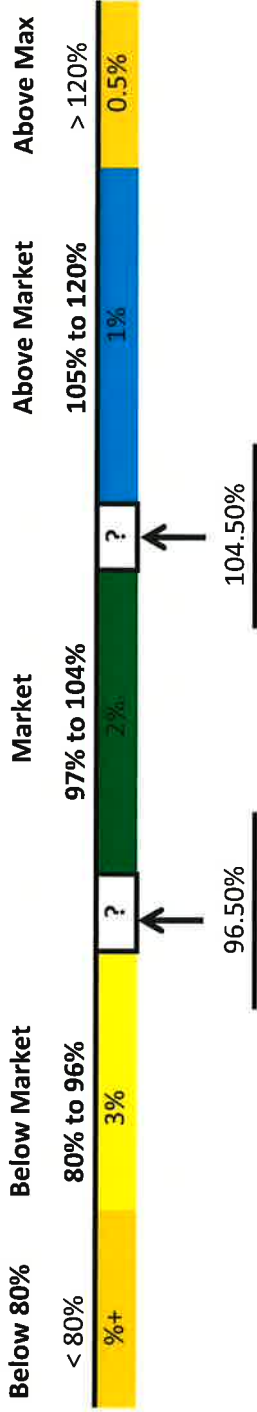
EFFECTIVE

Signed:

District No.:

FEBRUARY 1, 2016

2016 WAGE ADJUSTMENT CALCULATION



HUMAN RESOURCES DEPARTMENT

Brown County

305 E. WALNUT STREET
P.O. BOX 23600
GREEN BAY, WI 54305-3600



WARREN P. KRAFT

PHONE (920) 448-4071 FAX (920) 448-6277 WEB: www.co.brown.wi.us

DIRECTOR

DATE: 10 November 2015

SUBJECT: County Board Approved Health Insurance and Wages for 2016

On Wednesday, November 04, the County Board approved two actions that impact County employees. The supervisors formally adopted the 2016 Health Insurance plan as recommended by the Executive Committee. They also approved a wage increase for all general employees, not covered by labor agreements, and suspended for next year the pay-for-performance module of the Classification and Compensation Plan. (Note that this action does NOT affect the current evaluation process and pay-for-performance bonus for this year.)

Insurance Matters

Please note that **Open Enrollment** begins **this week** with the first two employee meetings, this Friday, November 13, at 10AM and 1PM at the Neville Public Museum, 210 Museum Place. There will be another presentation for all employees next Monday, November 16 at 3:15 PM at the Syble Hopp School, 755 Scheuring Rd., De Pere. *Please check with your supervisor to see if you can attend one of these presentations.*

If you are unable to attend one of the presentations listed above, it will be recorded and posted on the Intranet for employees to view at their convenience. An email will be sent to notify employees once the presentation is available on the Intranet.

Look for the informational packet in your mail, sent next week to all benefit-eligible employees' homes. It will contain important information related to 2016 benefit plans, as well as instructions on how to enroll online, and enrollment forms for those benefits that cannot be enrolled in online.

Summary of the Approved Insurance Plan

- *The 2016 overall premium remains unchanged from this year.* The employee premium will remain at a 12% contribution rate, as it is currently, for employees who participate in the Personal Health Assessments (PHA). Employees who choose not to participate in a PHA will have a premium payment at 17%.
- HRA (Health Reimbursement Account) amounts will be tiered based on an employee's PHA score.
 - Employees ranked in the **Gold** tier will receive the full amount of HRA dollars provided (\$1050 for single, \$2100 family).
 - Employees ranked in the **Silver** tier will receive 80% of HRA dollars provided (\$840 for single, \$1680 family).
 - Employees ranked in the **Bronze** tier will receive 60% of HRA dollars provided (\$630 for single, \$1260 family).

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- Employees ranked in the **Standard Participant** tier will receive 40% of HRA dollars provided (\$420 for single, \$840 family).
 - Employees ranked in the **Tobacco** tier will receive 20% of HRA dollars provided (\$210 for single, \$420 family).
 - Employees who choose not to participate in the PHA will have a premium contribution of 17% and will have an HRA amount of \$630 for single and \$1260 for family.
- *Additionally, there is no change to the HRA dollars.* Employees will continue to have the opportunity to earn HRA dollars, up to the full amount at the Gold tier (\$1050 for single, \$2100 for family), by participating in the Reasonable Alternative Standards (RAS). RAS goals will be established by working with a Health Coach to create specific health goals. Reasonable Alternative Standards will be participation-based, meaning that employees who elect to pursue these goals will have to engage and participate in the goals established. They will be expected to participate in the activities established with the Health Coach. Once participation is completed, employees will receive points for achieving those specific goals. *Employees may begin working on their RAS after January 2, 2016.*
 - Please note that **FastCare** remains in place for 2016 and is free to all benefit eligible employees, and to all employees who take the County's health insurance, plus their spouse and dependents. These facilities are located inside ShopKo stores throughout the Green Bay area. Otherwise, the Board approved an increase to \$15 copay if an employee, spouse or dependent uses another medical provider's urgent care facility.
 - The Board approved a change to **Short Term Disability**. The plan will pay 50% of wages beginning January 01, 2016.
 - New for 2016: HRA dollars will accumulate beyond the deductible and will not be capped for 2016. Those dollars, which will not rollover into VEBA accounts, can be used for deductible and copays. Those employees who have VEBA accounts will keep their accounts and become responsible for the administrative fees associated with their personal accounts. The County will maintain the HRA dollars on the employees' behalf.
 - New for 2016: Wellness dollars accumulated in the year earned qualify for Section 213(d) expenses, similar to money that the employee sets aside in a Medical Flexible Spending Account (FSA). Unused Wellness Dollars will roll over to the HRA and can be used for deductible and copays once in the employee's HRA account. There is no change for the Flexible Spending Account, in that employees use this set-aside money for claims arising in the year of savings, provided that claims are submitted to EBC on or before March 31 of the succeeding year. (For example, claims for 2016 flexible spending dollars must be filed by March 31, 2017, to qualify for reimbursement.) There is still a \$500 carryover of unused FSA dollars into the subsequent year.
 - Though it does not immediately affect current employees, the Board also approved an annual incremental premium increase of 8.7% for retirees on the County's health plan for each of the next five years, over and above any general yearly premium increase to the plan.

Summary of 2016 Wage Increases

For next year only according to its motion, the Board suspended the pay-for-performance module in the 2015 Classification and Compensation Plan. It created a sliding wage increase scale of 3%-2%-1%-.05%, depending on where the employee's rate of pay currently falls within the salary range established for that employee's position. *(Please note that this impacts only general employees who are not represented by a union. Those unions will collectively bargain their own wage adjustments.)* The intent is to bring employee compensation as close to market as possible. The wage adjustment will be implemented with the first paycheck in February 2016, retroactive to 01-01-2016. Because these adjustments are unique to each employee, Payroll is working closely with Finance to apply the Board's parameters. It is too early to advise each employee what her/his specific 2016 wage will be.

These are the criteria which the Board adopted:

1. Firstly, if an employee's current pay is below the minimum established for that position, dollars are to be applied to bring that compensation to minimum rate of pay.
2. All employees will receive a minimum 1% increase unless the pay is above market as established by the 2015 Classification and Compensation Plan.
3. The Implementation Plan, approved last month, used a grid that placed an employee's current pay within the pay range, called a quintile. **The Board directed that the percentage of pay increase be based within which quintile the employee's 2015 pay lies.**
 - a. Employees whose pay is between 80% and 96% of the market rate established for the position shall receive a 3% increase.
 - b. Generally, employees who pay is between 97% and 104% will receive a 2% increase.
 - c. Employees who pay is between 105-120% will receive a 1% increase.
 - d. Employees above the maximum rate of pay established for the job classification will receive 0.5% increase

Thank you for taking the time to stay informed by reading this letter. If you have any questions about health insurance please ask them during the open enrollment meetings or by calling the benefit provider directly using the numbers listed in your enrollment booklet. If you have any questions about 2016 wage increases, please hold those questions until Human Resources and Finance can calculate the impact on each employee.

cc: Brown County Executive
Brown County Board of Supervisors

From: BC_Human_Resources
Sent: Friday, December 11, 2015 2:45 PM
Subject: 2016 Wage Adjustment Information

By the end of December, all non-represented employees should be notified of their adjusted rate of pay for 2016 as a result of the wage adjustment adopted by the County Board at the November meeting. The wage adjustments will be effective as of 1/1/16.

The goal of the wage adjustment was to assign a salary percentage increase to move employees closer to their market wage.

Because whole numbers were used, any calculation that did not result in a whole number had to be rounded to the nearest whole number. For example, numbers that fall between percentile 96% and 97% were rounded to the nearest whole percent, so 96.3% was rounded to 96%, and 96.6% was rounded to 97%.

Below is a summary of the calculation methodology.

Step One – If the employee was below the minimum pay value for their current position grade, they were increased to the minimum pay value for that grade (i.e. 80% of market)

Step Two – The employee's current rate of pay was calculated as a percentage of the market rate for their pay grade .

- If the percentage was 80% - 96%, the employee received a 3% increase.
- If the percentage was 97% - 104%, the employee received a 2% increase
- If the percentage was 105% - 120%, the employee received a 1% increase.
- If the percentage was over 120%, the employee received a 0.5% increase.

Step Three – The employee's new rate of pay was calculated as a percentage of the market for their paygrade. If the employee was now above market (i.e. at least 105%), the wage increase percentage previously applied was lowered by 1%. Again, the goal of the wage adjustment was to get employees' salaries to market.

Thank you for taking the time to review this communication.

Brown County Human Resources

PLEASE POST THIS INFORMATION FOR EMPLOYEES WITHOUT COMPUTER ACCESS.

2015 Mechanic Pay = \$23.28

Pay Grade 13:

<u>Min.</u>	<u>Market</u>	<u>Max</u>
\$18.14	\$22.67	\$27.21

$$\$23.28 / \$22.67 = \boxed{102.69\%}$$

80% - 96% = 3% increase

$\boxed{97\% - 104\% = 2\% \text{ increase}}$ ←

105% - 120% = 1% increase

Over 120% = 0.5% increase

If you use a 2016 pay rate: $\$23.28 \times 1.02 = \23.7456

$\$23.7456 / \$22.67 = 104.74\%$ (This number was then rounded up to 105%).

Our 2% pay increase was lowered to 1%.

We respectfully request the Board change the way downtown computed the wage increases to use 2015 wages like the November memo stated and make sure that wages won't be lowered to 1% until at least 105%, like the December memo stated.

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